USAID

AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF THE REGIONAL INSPECTOR GENERAL
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March 18, 1998

MEMORANDUM FOR USAID/El Salvador Director, Kenneth C. Ellis

FROM: RIG/A/San Salvador, Wayne J. Watson

SUBJECT: Audit of USAID/El Salvador's Review and Certification of Unliquidated Obligations for Project and Non-project Assistance, Audit Report No. 1-519-98-003-F

This memorandum is our report on the subject audit. In finalizing the report, we considered your comments on the draft audit report and have included them in their entirety as Appendix II.

The report contains two recommendations. Recommendation No. 1 identifies $634,328 in efficiencies for which a management decision has been made. Final action for this recommendation will be accomplished when USAID/El Salvador has completed the planned deobligation of $213,121 and decommitment of $421,207. Please notify the Bureau for Management's Office of Management Planning and Innovation (M/MPI) when the Mission has completed action on this recommendation. A management decision will be achieved on Recommendation No. 2 when the Mission establishes plans and timeframes to strengthen its review procedures for unliquidated obligations by including consideration of USAID's forward funding guidance and partial deobligation of large unliquidated balances remaining for activities nearing completion. Please advise me within 30 days of actions planned or already taken to implement Recommendation No. 2.

I appreciate the cooperation and courtesy extended to my staff during the audit.

Background

Concerned that Federal agencies were recording obligations in situations where no real obligation existed and that information on which to determine an agency's future requirements was not reliable, Congress with the General Accounting Office and the Office of Management and Budget, developed statutory criteria for determining the validity of an obligation. In order to properly certify the validity and accuracy of obligated balances, agencies are required to verify their own accounts at least once each year. This verification is commonly referred to at USAID as the Section 1311 review or certification, named after the section of the original authorizing public law.

This audit is part of the Office of the Inspector General's (OIG) worldwide review of USAID's obligations for project and non-project assistance. The OIG's Division of Performance Audits (IG/A/PA) is leading this worldwide effort, with the assistance of auditors from all OIG offices of Regional Inspectors General.

The worldwide audit is limited to obligations for project and non-project assistance which had unliquidated balances on September 30, 1996. It does not cover obligations funded with U.S.-owned local currency, obligations for disaster relief, or obligations maintained by USAID for the Trade and Development Agency.

IG/A/PA randomly selected USAID sites for detailed audit work and also determined the number of unliquidated obligations to be randomly selected and reviewed at each site. A total of 19 sites (USAID/Washington and 18 missions) were selected for review. USAID/El Salvador was among those missions randomly selected.

As of September 30, 1996, USAID/El Salvador had 220 unliquidated obligations for project and non-project assistance with balances totalling $125,627,954.

Audit Objective

As part of a worldwide audit, the Office of Regional Inspector General/San Salvador audited selected USAID/El Salvador obligations which had unliquidated balances as of September 30, 1996 to answer the following objective:

> Did USAID/El Salvador review and certify its unliquidated obligations for project and non-project assistance in accordance with U.S. laws and regulations and USAID policies and procedures?

Appendix I describes in detail the audit's scope and methodology.

Audit Findings

Did USAID/El Salvador review and certify its unliquidated obligations for project and non-project assistance in accordance with U.S. laws and regulations and USAID policies and procedures?

For the items tested, USAID/El Salvador generally followed U.S. laws and regulations and USAID policies and procedures in reviewing and certifying its unliquidated obligations for project and non-project assistance; however, in order to fully comply with USAID procedures, the Mission needed to (i) more effectively apply USAID's forward funding guidance and (ii) consider partial deobligation of unliquidated balances related to substantially completed activities.

The audit sample included 45 unliquidated obligations totalling $29,577,139 and 178 commitments[1] associated with these obligations. Our review of these obligations and commitments showed that USAID/El Salvador conducted periodic Section 1311 reviews to ensure that unliquidated obligations and commitments were valid and still needed, making deobligations or decommitments when deemed appropriate. Unliquidated obligations were also properly certified as of September 30, 1996, and valid obligating documents were executed for all 45 obligations. As required by USAID's Financial Management Bulletin, USAID/El Salvador's September 1996 review was generally supported by a high standard of documentation for the items tested. However, as discussed below, the audit identified 12 unliquidated obligations and 34 commitments with excessive balances as of September 30, 1996.

Some Obligations Had
Excessive Balances

Of the 45 unliquidated obligations reviewed during this audit, 12 obligations and 34 commitments had balances as of September 30, 1996 which exceeded anticipated needs, as defined by USAID guidance, by a total of $1,642,036. At the time of our field work in August 1997, six obligations and 17 commitments had excessive balances totalling $634,328. The Mission should take action to deobligate or decommit balances, as appropriate, that exceed anticipated needs or do not conform with USAID guidance.

> **Recommendation No. 1: We recommend that USAID/El Salvador:**
>
> **1.1 deobligate the $213,121 in excess obligations shown in Appendix IV;**
>
> **1.2 decommit the $382,631 in excessive commitments from Obligation No. CA-519-0363; and**
>
> **1.3 decommit the $38,576 in excessive commitments from Obligation No. PA-519-0394-93-09.**

Each year, USAID's Bureau for Policy and Program Coordination issues guidance for the preparation of mission and office budgets. Guidance applicable to the period under audit stated that budgets should be prepared as follows:

> New Activities Obligations should provide funding for at least the first 18 months, but not more than 24 months.

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[1] GAO's *Principles of Federal Appropriations Law* defines an obligation as "some action that creates a liability or definite commitment on the part of the government to make a disbursement at some later time." USAID Financial Management Bulletin, Part II, No. 14A, defines a commitment as "funds set aside [for an obligation] to pay for the goods or services being procured."

Continuing Activities Obligations should be sufficient to fund anticipated expenses for no more than 12 months beyond the end of the fiscal year in which the obligation takes place.

We reviewed obligation balances as of September 30, 1996, and applied USAID's guidance as follows:

New Activities In general, obligation or commitment balances were considered reasonable if they did not exceed anticipated expenses for a period of 24 months following the date of obligation or commitment, or through September 30, 1997, whichever was later.

Continuing Activities In general, obligation or commitment balances were considered reasonable if they did not exceed anticipated expenses for the 12-month period ending September 30, 1997, the expiration date of the obligating or commitment document, or the project assistance completion date, whichever was earlier. We also took into account balances of earlier or planned obligations which affected the continuing need for part or all of the unliquidated balance being audited. Any questioned amount was discussed with appropriate Mission staff.

In several instances, the Mission did not identify funds in the September 1996 Section 1311 review which were excessive as of September 30, 1996. These funds were not identified, in part, because the Mission did not consider USAID's forward funding guidance when performing its Section 1311 review. In addition, the Mission did not partially deobligate large unliquidated balances as activities neared completion; instead, it continued to retain these balances until all administrative close-out procedures were completed and then fully deobligated remaining balances. In some instances, these balances clearly exceeded funding needs and should have been partially deobligated prior to close-out of the activity. As a result, the Mission had $1,642,036 in unliquidated obligations and commitments which were excessive as of September 30, 1996. The details of these instances are shown in Appendix III and are discussed below.

Some Obligations Did Not Comply With Forward Funding Guidelines

Six sample obligations and four commitments had unliquidated balances as of September 30, 1996 which exceeded USAID's forward funding guidance by $865,848 and $133,352, respectively, because they would not be spent prior to September 30, 1997. These funds were not deobligated or decommitted because the Mission did not consider USAID's forward funding guidance in performing its Section 1311 review. However, because the funds were programmed to be spent prior to September 30, 1998, none of these obligations or commitments were excessive as of the time of the audit.

Some Obligation Balances Were No Longer Needed

Seven sample items had excessive obligations because the activities had ended and there was no longer a need for the funds. Consequently, they could have been deobligated. Six of the seven sample items, with excessive balances totalling $187,394, could have been deobligated prior to September 1996. Thus, that amount was excessive as of September 30, 1996. At the time of our audit, two sample items, with a total excessive balance of $35,977, also could have also been deobligated for the same reason. By the time of our audit, one of these seven sample items for $10,250 had been deobligated by the Mission. We have therefore recommended that these remaining balances, totalling $213,121 (as shown in Appendix IV), be deobligated.

Two Obligations Had Excessive Forward Funding and Funds No Longer Needed

Two additional sample items had excessive balances in multiple commitments and/or uncommitted balances. One of these sample obligations had 64 distinct commitments with unexpended balances, as well as an uncommitted balance, as of September 30, 1996. At that time, 29 of these commitments had excessive balances, as follows:

- $31,844 of this was attributable to excessive forward funding, and
- $72,811 was attributable to funds no longer being needed.

At the time of our audit, 14 of these commitments under Obligation No. PA-519-0394-93-09 still had excessive balances totalling $38,576, all of which were attributable to funds no being longer needed. We have recommended decommitment of that amount, as shown in Appendix IV.

The other sample obligation, with nine commitments and an uncommitted balance, had an excessive balance as of September 30, 1996, as follows:

- $381,627 from one commitment was longer needed. The Mission was holding these funds for the settlement of final indirect cost rates. The questioned balance is the amount in excess of maximum indirect cost rates specified in the contract and could therefore have been decommitted prior to September 30, 1996;
- $112,239 from uncommitted funds exceeded USAID's forward funding guidance; and
- $1,003 from two small commitments was no longer needed.

At the time of our audit, excessive balances remaining under the above sample item (Obligation No. CA-519-0363) totalled $382,631. These balances, shown in Appendix IV, were no longer needed for the purposes committed and were therefore recommended for decommitment.

Observations on Internal Controls

While conducting our fieldwork at USAID/El Salvador, we noted that the Mission carried out periodic Section 1311 reviews to ensure that unliquidated obligations and commitments were valid and still needed. As required by USAID's Financial Management Bulletin, the September 1996 review was generally supported by a high standard of documentation for the sample items tested. Nevertheless, aspects of the review process could be strengthened. For example, the Mission did not consider USAID's forward funding guidance when carrying out its Section 1311 review. In addition, the Mission did not consider partial deobligations of large unliquidated balances remaining for activities nearing completion, which resulted in instances where clearly excessive balances were retained until administrative close-out of the activity.

> **Recommendation No. 2: We recommend that USAID/El Salvador strengthen its procedures for Section 1311 reviews by including consideration of (1) USAID's forward funding guidance and (2) partial deobligation of large unliquidated balances remaining for activities nearing completion.**

In regard to USAID's forward funding guidance, as noted earlier, USAID's Bureau for Policy and Program Coordination has issued annual guidance for the preparation of mission and office budgets. For continuing activities, obligations should be sufficient to fund anticipated expenses for no more than 12 months beyond the end of the fiscal year in which the obligation takes place. Nevertheless, the staff conducting the Section 1311 reviews did not apply this guidance during their reviews because the Mission considered it to be guidance rather than an essential procedure. We believe that consideration of this guidance during the Mission's reviews of unliquidated obligations would allow management to more effectively identify and address any excessive forward funding.

In regard to partially deobligating funds, the General Accounting Office's *Policy and Procedures Manual for Guidance of Federal Agencies*, Title 7 (Fiscal Procedures), Chapter 3 (Obligations) states that "appropriate adjustment must be made when events permit a more accurate estimate of the amount of the obligation and when the actual obligation is determined." USAID Financial Management Bulletin, Part II, No. 3, Project Accounting, states that "the mission may determine that a portion of the obligated funds are no longer needed to complete the project goals and deobligate the amount so determined." Although the Mission would be reluctant to partially deobligate funds prior to completion of an activity, adjustments should be made to obligated balances when funds are excessive. Even so, USAID/El Salvador practice has been to wait for all Advices-of-Charge prior to deobligating any funds, even in instances where balances are clearly excessive. We believe that consideration of partial deobligation in such instances is an appropriate and necessary measure to ensure effective management of the Mission's obligation levels.

While conducting our fieldwork, we noted that the excessive balances recommended for deobligation or decommitment were due either to projects ending or funds no longer being needed. This is partially due to completion of activities resulting from a large portfolio increase several years ago. For example, average annual obligations for Mission activities had been $169 million over the first four fiscal years of this decade. In contrast, average annual obligations for Mission activities from 1994 to 1997 has been $49 million--less than one-third of the average at the beginning of the decade. Many of those obligations from the early part of the decade are now becoming available for close-out. However due to staffing shortages, contract close-out actions have not kept pace with current project completions. The Mission has recognized this issue and recently took steps to hire additional staff for this specific task. Consequently, we are not making a recommendation regarding this management control issue.

Although our observations were based on limited testing, we believe that the conditions found would have been avoided had Mission staff complied with USAID requirements.

Management Comments and Our Evaluation

A management decision has been reached on Recommendation No. 1. For Recommendation No. 1.1, the Mission has deobligated $42,617 of excess obligations and plans to deobligate the remaining $170,504. For Recommendation No. 1.2, the Mission has decommited $313,403 of excess commitments cited in the recommendation and is in the process of decommiting the remaining $69,228. For Recommendation No. 1.3, the Mission has decommited $31,649 of excess commitments and is the process of decommiting the remaining $6,927. Upon completion of all planned actions, a determination of final action will be made by the Bureau for Management's Office of Management Planning and Innovation (M/MPI)

As for Recommendation No. 2, the Mission did not agree with our recommendation to include consideration of USAID's forward funding guidance as part of its 1311 reviews. The Mission pointed out that this guidance was not applicable for any use beyond the budgetary planning process. While we agree that there is no explicit requirement that the Mission follow forward funding guidance as part of the Section 1311 review process, we nonetheless believe that budgetary planning and the review of unliquidated obligations are necessarily linked. The control and oversight of USAID pipelines is an important aspect of USAID's financial management, and Mission pipelines should be kept at reasonable levels. Various criteria can be used to assist the Mission is making its decisions on pipeline amounts, including USAID's forward funding guidance. Therefore, we have retained this recommendation in our final report and request that the Mission advise us within 30 days of actions planned or already taken to strengthen its procedures for Section

1311 reviews by including consideration of (1) USAID's forward funding guidance and (2) partial deobligations of large unliquidated balances remaining for activities nearing completion.

The full text of management's comments on our report are attached as Appendix II.

Scope and Methodology

This audit is part of the Office of the Inspector General's (OIG) worldwide review of USAID's obligations for project and non-project assistance. The worldwide audit is limited to obligations for project and non-project assistance which had unliquidated balances on September 30, 1996. It does not cover obligations funded with U.S.-owned local currency, obligations for disaster relief, or obligations maintained by USAID for the Trade and Development Agency.

The Regional Inspector General/San Salvador audited USAID/El Salvador's review and certification of unliquidated obligations for project and non-project assistance, as of September 30, 1996. The audit was conducted at USAID/El Salvador, from August 7, 1997 through September 12, 1997, and was performed in accordance with generally accepted government auditing standards. In answering our audit objective, we performed limited testing of the reliability of the Mission's computer-generated accounting data; however, our testing was not designed to determine the overall reliability of this data.

In connection with this audit, USAID/El Salvador compiled a list of its obligations for project and non-project assistance which had unliquidated balances on September 30, 1996. The unliquidated balances on this list totalled $125,627,954. We randomly selected 45 obligations totalling $29,577,139 from the list for detailed audit testing. Random sampling will allow the OIG to make USAID-wide projections based on field work performed at a limited number of sites. Because the audit sample was designed as part of the worldwide audit, a materiality threshold was not established for our work at USAID/El Salvador, and our testing was not designed to provide reasonable assurance at the Mission level.

While conducting our fieldwork at USAID/El Salvador, we also performed limited tests of compliance with USAID and Mission procedures related to Section 1311 reviews of obligations for project and non-project assistance. Section 1311 review refers to the review of obligations to determine if the requirements of 31 U.S.C., Section 1501(a) (originally enacted as Section 1311 of the Supplemental Appropriation Act of 1955), are met for the validity of the obligations.

Because the accuracy and completeness of the Mission's list was crucial to our ability to make USAID-wide projections, we interviewed appropriate Mission staff about their methodology in preparing the list and reconciled the list and its totals to other Mission reports.

Each obligation was reviewed to determine whether it was valid in accordance with the provisions of 31 U.S.C. 1501(a) and decisions of the U.S. General Accounting Office. The results of our field work at USAID/El Salvador will be consolidated with the results of field work conducted at USAID/Washington and other missions and used to make USAID-wide projections.

We also reviewed the unliquidated balance of each selected obligation to determine whether, as of September 30, 1996, the balance was needed, in full or in part, to cover anticipated expenses for reasonable future periods. In making these decisions, we considered USAID and Mission guidance for forward funding, activity-specific budgets and spending plans, actual disbursements, progress reports, and accruals. When amounts were questioned, we interviewed relevant activity managers and contracting or grant officers. We also considered prior audits and obtained written representations from Mission management on key assertions related to our audit objective. The results of field work at USAID/El Salvador will be consolidated with the results of field work conducted at USAID/Washington and other missions and used to make USAID-wide projections.

In addition to capturing information and making calculations as of September 30, 1996, for USAID-wide projections, we determined whether the unliquidated balances of any obligations reviewed during the audit still had excess balances at the time of our field work. If so, we recommended that the excess funds be deobligated or decommitted, as appropriate.

AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA A.I.D.
MISSION TO EL SALVADOR
C/O AMERICAN EMBASSY
SAN SALVADOR, EL SALVADOR, C.A.

March 2, 1998

TO: Wayne J. Watson, RIG/A/San Salvador

FROM: Kenneth C. Ellis, Director, USAID/San Salvador

SUBJECT: Audit of USAID/El Salvador's Review and Certification of Unliquidated Obligations for Project and Non-project Assistance, Audit Report No. 1-519-98-00X-F

The Mission appreciates the opportunity to provide comments on the results of the subject audit.

The Mission is pleased with the findings that U.S. laws and regulations and USAID policies and procedures were followed in the Section 1311 reviews, supported by a high standard of documentation, that unliquidated obligations were properly certified,and that valid obligating documents were executed for all obligations. With regard to the recommendations:

<u>Recommendation No. 1</u>: We recommend that USAID/El Salvador:

1.1 deobligate the $178,521 in excess obligations shown in Appendix IV;

1.2 decommit the $382,631 in excessive commitments from Obligation No. CA-519-0363; and

1.3 decommit the $40,499 in excessive commitments from Obligation No. PA-519-0394-93-09.

The Mission concurs with the Recommendation. Three of the obligations comprising the $178,521 in Recommendation No. 1.1 have been deobligated. The close-out process leading to deobligation of the other three is currently being done in either the Mission's Office of Contracts and Grants (OCG) or the Office of Procurement (OP) in USAID/W.

Of the $382,631 recommended for decommitment in Recommendation No. 1.2, the $381,627 commitment has been partially decommitted, leaving a balance to cover the expected adjustment to the overhead rate. When the results of the overhead audit, being done by the Defense Contract Audit Agency, are received, the remaining balance will be decommitted. The other two items are in the close-out process, one in OCG, the other in OP.

Eleven commitments totalling $31,649 of the $40,499 recommended for decommitment in Recommendation 1.3 have been decommitted. Of the remaining four, two are in OCG and one is in OP in the close-out process. The remaining commitment of $1,868 will be retained to fund any remaining close-out costs of the project.

The Mission had hoped to have all the deobligations and decommitments completed by the time this response was due but has not been able to do so. As recognized in the audit report, the sizable portfolio and staffing shortages have delayed close-outs in the past. In addition, the process itself is time consuming. Recipients that receive their funding through Bank Letters of Credit have little incentive to complete the final paperwork in a timely fashion. The Mission has hired an additional person to work in the Office of Contracts and Grants and Mission staff in the Controller's Office and OCG as well as personnel in OP and the Office of Financial Management in USAID/W have devoted many person hours to the close-out of these obligations and commitments. Given the commitment to closure of the obligations and commitments by the Mission, the Mission requests that this recommendation be closed upon issuance.

> <u>Recommendation No. 2</u>: **We recommend that USAID/El Salvador strengthen its procedures for Section 1311 reviews by including consideration of (1) USAID's forward funding guidance and (2) partial deobligation of large unobligated balances remaining for activities nearing completion.**

First, we note that the recommendation should read "partial deobligation of large unliquidated balances..." rather than large unobligated balances.

The Mission does not concur with this recommendation because the forward funding guidance issued by the Bureau for Policy and Program Coordination is not now part of current 1311 guidance, nor was it intended to be part of the 1311 review, nor should it be. If the Inspector General's Office wishes to add forward funding or any other consideration to the 1311 review procedure, it should direct any such recommendation to the Office of Financial Management of USAID/W which issues 1311 guidance.

In the words of the draft audit report, "USAID's Bureau for Policy and Program Coordination has issued annual guidance for the preparation of mission and office **budgets**." (Emphasis added.) This guidance is intended to be used in determining the funding requirements (anticipated expenditures within the next 12 to 24 months) for new and ongoing activities to be requested in the annual Resource Request (R-4) document, not for a 1311 review.

The General Accounting Office has defined an obligation as "a definite commitment which creates a legal liability of the Government for the payment of appropriated funds for goods and services ordered or received." This definition does not include a 12 or 24 month time limit as a measure of its validity. The imposition of any budget policy guidance into the 1311 review process would, thus, have no legal basis. And, of course, no document reviewed by the RIG contains any such time limitation within its terms.

As current 1311 guidance does not include any reference to forward funding, any discussion of the Mission's failure to consider it in its 1311 review is inappropriate. Any such discussion in the audit report and Recommendation No. 2 should be deleted from the report.

USAID

AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA A.I.D.
MISSION TO EL SALVADOR
C/O AMERICAN EMBASSY
SAN SALVADOR, EL SALVADOR, C.A.

DATE: March 4, 1998

TO: Wayne J. Watson, RIG/A/San Salvador

FROM: Kenneth C. Ellis, Director, USAID/San Salvador

SUBJECT: Audit of USAID/El Salvador's Review and Certification of Unliquidated Obligations for Project and Non-project Assistance, Audit Report No 1-519-98-00X-F

As an addendum to our response to the draft audit report, attached is a listing of the amounts recommended for deobligation and decommitment in Recommendation No. 1. The listing shows the status of deobligation and decommitment as of March 2, 1998. With regard to Recommendation No. 1.1, $42,617 has been deobligated. $170,504 remains to be deobligated. Note that CA-5190391A00320500-L300432 shows a balance to be deobligated of $134,600, which is $34,600 more than in the audit report. The audit recommended a partial deobligation. USAID/W has now received the final expenditure report from the recipient, so the total remaining balance can be deobligated.

Of the amounts recommended for decommitment in Recommendation 1.2, $313,403 has been decommitted. $69,228 is in the decommitment process. $31,649 of the recommended decommitments in Recommendation 1.3 have been decommitted. $8,795 is pending decommitment. Please note that an amount of $1,868 has been retained to fund project close-out costs. Any balance remaining after these costs are paid, will be decommitted. Also, the amount available for decommitment under PO-5190394E00318100 has been reduced to $4,026.

With this information, the Mission requests that the final audit report indicate that a management decision has been taken on deobligation and decommitment.

Amounts Recommended for Deobligation
As of the Time of the Audit (September 5, 1997)
Status as of March 2, 1998

Obligation Number	Amount Deobligated	Amount to be Deobligated
LAG-4084C00204300-S401221		$ 34,527
PDC-00851009061W016-S401222	$ 4,505	
CA-5190391A00320500-L300432		$134,600*
CA-5190287A00438700-T000835	$ 35,852	
LAG-4084C00204300-S401219	$ 2,260	
CO-5190401C00414500-S501057		$ 1,377
Total	$42,617	$170,504

*Total to be deobligated. Audit recommendation was for a partial deobligation of $100,000.

**Amounts Recommended for Decommitment
As of the Time of the Audit (September 5, 1997)
Status as of March 2, 1998**

Obligation Number	Amount Decommitted	Amount to be Decommitted
CA-519-0363/		
AEP-0085I003002D017		$ 859
CO-5190363C00103400	$ 313,403	$ 68,224
PP-519-0363-1-00277		$ 145
Subtotal	$ 313,403	$ 69,228
PA-519-0394-93-09/		
AEP-545II00204900D0-12		$ 2,578
CO-5190394C004112-00	$ 2,356	
CO-5190394C005011-00	$ 2,967	
PO-5190394E00302700	$ 6,026	
PO-5190394O00514800		$ 323
PO-5190394O00601300	$ 400	
CO-5190394C00318800	$ 7,062	
CO-5190394C00405800	$ 4,701	
PO-5190394M00305700	$ 2,866	
Off Phone Calls/Faxs		$ 1,868*
Petty Cash Exp.	$ 457	
PO-5190394E00302700	$ 3,158	
PO-5190394E00318100		$ 4,026**
PO05190394O00318500	$ 1,618	
PO-5190394O00322800	$ 38	
Subtotal	$ 31,649	$ 8,795
Total	$345,052	$ 78,023

* The amount remaining after close-out costs will be decommitted.
**Balance remaining to be decommitted as of March 2, 1998.

Excessive Obligations as of September 30, 1996
As Determined by Audit

Obligation Number	Excessive Amount	Reason Considered Excessive
LAG-4084C00204300 - S401221	$34,527	Funds No Longer Needed
CA-519-0363 - X402423	$112,239	Excessive Forward Funding
PA-519-0391-96-16 - L600649	$611,108	Excessive Forward Funding
CA-5190318A00035200 - T401447	$50,771	Excessive Forward Funding
PDC-0085I009061W016 - S401222	$4,505	Funds No Longer Needed
CA-5190391A00320500 - L300432	$100,000	Funds No Longer Needed
CA-5190368A00024300 - X001320	$759	Excessive Forward Funding
CO-5190406C00323000 - S300738	$10,250	Funds No Longer Needed
PA-519-0357-93-01 - M301032	$87,790	Excessive Forward Funding
CA-5190287A00438700 - T000835	$35,852	Funds No Longer Needed
LAG-4084C00204300 - S401219	$2,260	Funds No Longer Needed
CA-5190368A00024300 - X001293	$3,181	Excessive Forward Funding
Total	$1,053,242	

Excessive Commitments as of September 30, 1996
As Determined by Audit

Obligation/Commitment Number	Excessive Amount	Reason Considered Excessive
PA-519-0388-95-02/		
CO-5190388S00412300	$82,368	Excessive Forward Funding
CA-519-0363/		
AEP-0085I003002D017	$859	Funds No Longer Needed
CO-5190363C00103400	$381,627	Funds No Longer Needed
PP-519-0363-1-00277	$145	Funds No Longer Needed
PA-519-0357-93-01/		
PIL-519-0357-16	$19,140	Excessive Forward Funding
PA-519-0394-93-09/		
AEP-5451I00204900D0-12	$2,216	Funds No Longer Needed
CO-5190394C004112-00	$2,356	Funds No Longer Needed
CO-5190394C005011-00	$2,967	Funds No Longer Needed
CO-5190394S00310800	$4,081	Excessive Forward Funding
CO-5190394S00313600	$27,763	Excessive Forward Funding
CO-5190394S00317400	$375	Funds No Longer Needed
CO-5190394S00405600	$1,981	Funds No Longer Needed
CO-5190394S00405600	$28,333	Funds No Longer Needed
PIL-519-0394-60	$16	Funds No Longer Needed
PIL-519-0394-62	$763	Funds No Longer Needed

Excessive Commitments as of September 30, 1996
As Determined by Audit

Obligation/Commitment Number	Excessive Amount	Reason Considered Excessive
PO-5190394E00302700	$6,026	Funds No Longer Needed
PO-5190394O00410100	$38	Funds No Longer Needed
PO-5190394O00514800	$323	Funds No Longer Needed
PO-5190394O00601300	$400	Funds No Longer Needed
SF-1190-AID-519-96-06	$304	Funds No Longer Needed
AID-519-LE-91-210/RODR	$216	Funds No Longer Needed
CO-5190394C00318800	$7,062	Funds No Longer Needed
CO-5190394C00405800	$5,057	Funds No Longer Needed
PO-5190394M00305700	$2,866	Funds No Longer Needed
PO-5190394O00530800	$152	Funds No Longer Needed
Off Phone Calls/Faxs	$1,868	Funds No Longer Needed
Petty Cash Exp.	$457	Funds No Longer Needed
PO-5190394E00302700	$3,158	Funds No Longer Needed
PO-5190394E00318100	$4,081	Funds No Longer Needed
PO-5190394O00301100	$12	Funds No Longer Needed
PO-5190394O00318500	$1,618	Funds No Longer Needed
PO-5190394O00322800	$38	Funds No Longer Needed
PO-5190394O00601000	$124	Funds No Longer Needed
TCornick's Memo 3/6/96	$4	Funds No Longer Needed
Total	$588,794	

Amounts Recommended for Deobligation
As of the Time of the Audit (September 5, 1997)
As Determined by Audit

Obligation Number	Excessive Amount	Reason Considered Excessive
LAG-4084C00204300 - S401221	$34,527	Funds No Longer Needed
PDC-0085I009061W016 - S401222	$4,505	Funds No Longer Needed
CA-5190391A00320500 - L300432	$134,600	Funds No Longer Needed
CA-5190287A00438700 - T000835	$35,852	Funds No Longer Needed
LAG-4084C00204300 - S401219	$2,260	Funds No Longer Needed
CO-5190401C00414500 - S501057	$1,377	Funds No Longer Needed
Total	$213,121	

Amounts Recommended for Decommitment
As of the Time of the Audit (September 5, 1997)
As Determined by Audit

Obligation/Commitment Number	Excessive Amount	Reason Considered Excessive
CA-519-0363/		
AEP-0085I003002D017	$859	Funds No Longer Needed
CO-5190363C00103400	$381,627	Funds No Longer Needed
PP-519-0363-1-00277	$145	Funds No Longer Needed
Subtotal	$382,631	
PA-519-0394-93-09/		
AEP-5451I00204900D0-12	$2,578	Funds No Longer Needed
CO-5190394C004112-00	$2,356	Funds No Longer Needed
CO-5190394C005011-00	$2,967	Funds No Longer Needed
PO-5190394E00302700	$6,026	Funds No Longer Needed
PO-5190394O00514800	$323	Funds No Longer Needed
PO-5190394O00601300	$400	Funds No Longer Needed
CO-5190394C00318800	$7,062	Funds No Longer Needed
CO-5190394C00405800	$4,701	Funds No Longer Needed
PO-5190394M00305700	$2,866	Funds No Longer Needed
Petty Cash Exp.	$457	Funds No Longer Needed
PO-5190394E00302700	$3,158	Funds No Longer Needed
PO-5190394E00318100	$4,026	Funds No Longer Needed
PO-5190394O00318500	$1,618	Funds No Longer Needed
PO-5190394O00322800	$38	Funds No Longer Needed
Subtotal	$38,576	
Total	$421,207	